Manitoba

Office of the Provincial Auditor

THE PUBLIC TRUSTEE OF MANITOBA

Auditor's Report and Financial Statements
for the year ended March 31, 1985

Manitoba

THE PUBLIC TRUSTEE OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1985 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

August 29, 1985,
Winnipeg, Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration
as at March 31, 1985
(with 1984 figures for comparison)

A S S E T S

	1985	1984
Cash on hand and in bank:		
General	$ 433,247	$ 798,961
Accountable advance	1,983	4,718
	435,230	803,679
Expenditures recoverable from estates and trusts (Note 2 (a))	5,312	2,782
Common fund investments (Notes 2(b) and 7)	49,344,599	41,761,100
Term deposits, investment certificates and treasury bill, at par value	2,267,668	2,529,076
Government of Canada and other bonds, at par value	13,857,231	12,468,316
Shares of capital stock and mutual funds (Note 2(c))	1,818,683	946,067
Annuity contracts (Note 2(d))	100,441	100,023
Accounts receivable (Note 2(e))	73,302	85,003
Rentals receivable (Note 2(e))	2,053	2,524
Notes receivable, principal (Note 2(f))	110,784	105,468
Mortgages and agreements receivable (Note 2(f))	64,682	100,165
Interests in other estates (Note 2(g))	2,145	4,118
Real estate (Note 2(h))	3,140,853	3,110,780
	$ 71,222,983	$ 62,019,101

Exhibit A

L I A B I L I T I E S

	1985	1984
Liabilities of estates:		
Public Trustee, fees payable (Note 3)	$ 14,760	$ 13,070
Government of the Province of Manitoba:		
The Public Trustee accountable advance	7,500	7,500
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	50,229,024	42,288,783
The Public Trustee Act	20,971,699	19,709,748
	$ 71,222,983	$ 62,019,101

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Receipts and Disbursements
for the year ended March 31, 1985
(with 1984 figures for comparison)

R E C E I P T S

	1985	1984
Funds held by estates and trusts brought under administration	$ 5,552,455	$ 4,450,756
Realization of equities in other estates	706,121	579,015
Pensions, compensation and assistance	8,354,158	7,351,622
Sickness, disability and other insurance benefits	853,955	1,931,674
Collections on account of:		
Accounts receivable	74,439	90,091
Rentals and leases receivable	312,072	230,227
Mortgages and agreements receivable	27,283	22,311
	413,794	342,629
Sale of chattels	181,325	143,312
Sale of real estate	831,986	1,069,406
Interest - bonds and investment certificates	7,071,851	6,068,906
Dividends	64,029	37,238
Bank interest	8,314	6,877
Statutory fees collected (Note 4)	11,123	20,446
Total receipts, before sale or redemption of securities	24,049,111	22,001,881
Sale or redemption of securities	21,248,996	28,793,603
Cash on hand and in bank at beginning of year	798,961	216,651
	$ 46,097,068	$ 51,012,135

Exhibit B

D I S B U R S E M E N T S

	1985	1984
Payments on account of:		
Accounts payable discharged	$ 121,940	$ 110,075
Mortgages and agreements payable	26,081	37,147
Real estate purchases	29,855	16,045
	177,876	163,267
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	164,096	510,509
Board, room and other expenses (Note 5)	6,193,294	5,312,465
	6,357,390	5,822,974
Preservation of estates:		
Realty and income taxes	671,884	616,841
Insurance	26,013	24,954
Repairs	54,253	54,244
Sundry	516,362	386,229
	1,268,512	1,082,268
Support of dependents	60,259	96,988
Administration and passing of accounts (Note 3)	1,845,152	1,449,571
Burial expenses	454,334	404,590
Estates and trusts released from administration	6,195,410	4,759,105
Statutory fees remitted (Note 4)	11,123	20,446
Total disbursements, before purchase of securities	16,370,056	13,799,209
Purchase of securities	29,293,765	36,413,965
Cash on hand and in bank at end of year	433,247	798,961
	$ 46,097,068	$ 51,012,135

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1985

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Receipts and Disbursements

The Statement of Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels which are accounted for in separate accounting records and accruals on investment earnings.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from the Department of the Attorney-General appropriation.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1985

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $1,818,570 (1984 - $946,025), with the balance of the account representing share certificates of a nominal value of $1.00 each.

d) Annuity Contracts

Determinable receivables amount to $100,123 at March 31, 1985 (1984 - $99,751), with the balance of the account represented by receivables recorded at a nominal value of $1.00 each.

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The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1985

e) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rentals receivable amount to $74,819 at March 31, 1985 (1984 - $87,024), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes receivable and mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Determinable interest in other estates amounts to $2,092 at March 31, 1985 (1984 - $4,062), with the balance of the account represented by interest in other estates recorded at a nominal value of $1.00 each.

h) Real Estate

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to $3,140,578 at March 31, 1985 (1984 - $3,110,528); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of $1.00 each.

i) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. Administration Fees

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1985

4. Statutory Fees

Under Section 84(3) of The Queen's Bench Act and Section 82 of The Surrogate Courts Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administation. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

6. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Department of Attorney-General and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. Common Fund - Summary of Investments

The investments of the Common Fund consist of the following:

	1985 Par Value	1985 Book Value	1984 Book Value
Term deposits and investment certificates	$ 7,300,000	$ 7,304,022	$ 6,908,284
Government of Canada bonds	33,810,500	34,067,999	26,849,743
Province of Manitoba bonds	4,150,000	4,141,293	4,137,590
Province of Ontario bonds	1,900,000	1,894,129	1,892,232
Ontario Hydro-Electric bonds	500,000	542,419	1,273,251
B.C. Housing and Employment Development Financing Authority bonds	700,000	700,000	700,000
Federal Business Development Bank Euro-Canadian debentures	700,000	694,737	-
	$ 49,060,500	$ 49,344,599	$ 41,761,100